HIPAA INFO

This flyer begins a series of flyers published by the Kentucky Department for Medicaid Services, offering providers information concerning HIPAA readiness. The flyers will contain the most current and updated information on HIPAA compliance. In addition, the Department encourages providers to pay close attention to their weekly remittance advice in order to keep abreast of actions that need to be taken to be HIPAA compliant.

INTRODUCTION:

The Administrative Simplification Requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will have a major impact on health care providers who do business electronically as well as many of their health care business partners. Many changes involve complex computer system modifications. Providers need to know how to make their practices compliant with HIPAA. The Administrative Simplification Requirements of HIPAA consist of four parts:

> 1) Electronic transactions and code sets;
> 2) Security;
> 3) Unique identifiers; and
> 4) Privacy.

HIPAA does not require a health care provider to conduct all transactions (listed under #1 below) electronically. However, if you are going to conduct any one of these business transactions electronically, they will need to be done in the standard format outlined under HIPAA. As a healthcare provider you may consider employing a third party biller or clearinghouse to conduct these transactions for you; however as the provider, it is up to **you** to ensure that your transactions are being transmitted in compliance with HIPAA. The checklist provided below is designed to help you start thinking about what you need to do to prepare for meeting the **electronic transactions and code sets requirements.**

PROVIDER HIPAA READINESS CHECKLIST – GETTING STARTED
Moving toward Compliance with Electronic Transactions and Code Sets
1. Determine, as a health care provider, if you are covered by HIPAA:
> ➢ If you conduct, or a third party biller or clearinghouse conducts on your behalf, any one of the following business transactions electronically, you are most likely covered by HIPAA:
>> ❖ Claims or equivalent encounter information
>> ❖ Payment and Remittance Advice
>> ❖ Claim Status Inquiry/Response
>> ❖ Eligibility Inquiry/Response
>> ❖ Referral Authorization Inquiry/Response

> If you do not conduct any one of the above transactions electronically, you are most likely not covered by HIPAA and you need not continue with the checklist.

2. Familiarize yourself with the key HIPAA deadlines:
> October 16, 2003 – This is the date you must be ready to conduct transactions electronically in the standard HIPAA format with your health plans / payers.
> TODAY – You (or your software vendors) need to start testing your software and computer systems internally to ensure that your software is capable of sending and receiving the transactions you traditionally perform electronically in the standard HIPAA format.

3. What you should be doing NOW:
> Determine if your software is ready for HIPAA (each health care provider is responsible for making sure the software they use will be HIPAA compliant).
> Speak with your practice management software vendors (or billing agent or clearinghouse if you use one) to assess which transactions you conduct on paper and which you conduct electronically. Determine what you will need to do differently. For instance, under HIPAA, additional data may be required and data fields you use now may no longer be required.
> Ask your vendor how and when they will be making HIPAA changes and document this in your files.
> Remind your vendors you must start testing your systems NOW. Similarly, if you use third party billers or clearinghouses, remind them to test NOW.

4. Talk to the health plans and payers you bill (especially the ones you bill frequently):
> Ask them what they are doing to get ready for HIPAA and what they expect you to do.
> Ask them if they will have a HIPAA companion guide that specifies the coding and transaction requirements that are not specifically determined by HIPAA (while HIPAA mandates standard transactions, some health plans may not require data elements for every field). For instance, ask your payers for billing instructions on how to code for services previously billed using local codes (under HIPAA local codes are eliminated).
> Ask them whether they will have "Trading Partner Agreements" that specify transmission methods, volumes, and timelines as well as coding and transaction requirements that are not specifically determined by HIPAA. These may also specify how HIPAA compliance testing and certification are to be done.
> Ask them about testing your software to make sure, for instance, that they will be able to receive a claim you submit with your updated software.
> If you use software or systems provided by the health plan / payer (such as on-line direct data entry) to conduct transactions, ask whether they intend to continue supporting these systems.

If you have any questions about Trading Partner testing with Kentucky Medicaid, call the Unisys EDI Technical Support Help Desk at (800) 205-4696. The hours of operation are Monday through Friday, 7:30AM – 6:00PM Eastern Time.